

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name FILER TOWNSHIP	County MANISTEE
Audit Date 3/31/04	Opinion Date 9/28/04	Date Accountant Report Submitted to State: 11/30/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

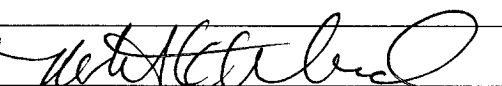
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) WILSON, WARD CPA FIRM			
Street Address PO BOX 205		City INTERLOCHEN	State MI
Accountant Signature 		ZIP 49643	Date 11/30/04

FILER TOWNSHIP

MANISTEE, MICHIGAN

Audit Report

For Year Ended
March 31, 2004

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September 28, 2004

Ms. Dana Schindler
Supervisor
Filer Township
Manistee, MI 49660

The primary purpose of this letter is to prepare, for management, information which delineates those items encountered during the course of the audit which were either not related to the financial, internal control and compliance reports or were not material enough to comment on relative to them. However, these items might be significant when viewed from a management perspective or in the longer term. This letter is intended only for the use of management and any other parties not informed of these matters might misconstrue their meanings.

Our Responsibility under Generally Accepted Auditing Standards

Our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with general accepted accounting principles. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As part of our audit, we considered the internal control structure of the Filer Township. Management has the responsibility for adopting sound accounting policies, for maintaining an adequate and effective system of accounts, for safeguarding assets and for maintaining the structure of the internal control system to help assure the proper recording of transactions. Our consideration of the system of internal control was solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control structure.

Significant Accounting Policies

Management has the responsibility for selection of appropriate accounting policies. In accordance with the terms of our engagement, we will advise management of the appropriateness of the accounting policies and their application. The significant accounting policies used by the Filer Township are listed in Note 1. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year. We noted no transactions entered into the Filer Township during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, of transactions for which there is a lack of authoritative guidance or consensus.

Management Judgements and Accounting Estimates

Some accounting estimates are utilized in financial statements prepared by

management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Our conclusions regarding the reasonableness of the estimates are based on reviewing and testing the historical data provided by management and using this data to compute the liability.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of the audit.

Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the general purpose financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the Filer Township that could potentially cause future financial statements to be materially misstated, even though we have concluded such adjustments are not material to the current financial statements. Our audit adjustments, individually and in the aggregate, have a significant effect on the financial reporting process.

With each passing year the improvements in the mechanized accounting system used by the Clerk continue. With continuation of increased utilization of the accounting system and particularly with the conversion of the Treasurer functions this system will allow for enhanced reporting and financial management.

Comment: The Treasurers office did not provide timely bank reconciliations and cash values.

Recommendation: Bank Reconciliations should be completed monthly on all bank accounts and the final documentation provided to the Clerk.

Comment: The Mechanized system is not balanced to the cash, revenue and expenditures of the Treasurer and Water Department.

Recommendation: All members of management must work together to insure that all records are in agreement. Without this the Township is not complying with the intent of State Law and any information provided to the Board is not necessarily accurate.

This information is intended solely for the use of the Filer Township Board and management of Filer Township and is not intended to be and should not be used by anyone other than those specific parties.

Sincerely,

A handwritten signature in cursive script that reads "Wilson Ward CPA Firm".

Wilson, Ward CPA Firm

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INTRODUCTORY SECTION

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Filer Township
Filer, MI

We have audited the general purpose financial statements of Filer Township, Michigan, as of and for the year ended March 31, 2004, and have issued our report thereon dated September 28, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Filer Township, Michigan's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Filer Township, Michigan's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Filer Township, Michigan in a separate letter dated September 28, 2004.

This report is intended solely for the information and use of the audit committee, management, others within the organization, Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wilson Ward CPA Firm

Interlochen, MI

September 28, 2004

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Township Board
Filer Township, Michigan


We have audited the accompanying statement of net assets, activities, each major fund, and the aggregate remaining fund information of Filer Township, Michigan as of and for the year March 31, 2004, which collectively comprise Filer Township, Michigan's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Filer Township, Michigan's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Filer as of March 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for each major fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management discussion and analysis and required budgetary comparison information identified in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 28, 2004 on our consideration of Filer Township, Michigan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contract and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.


Interlochen, MI
September 28, 2004

CHARTER TOWNSHIP OF FILER

Management's Discussion and Analysis

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

The Township as a Whole

The Township's combined net assets increased 11% from a year ago - increasing from \$1,348,823 to \$1,540,720. Due to a significant increase in real Capital Assets.

This year was the first year for the implementation of GASB 34 with the resulting changes in the financial position as reflected on the Governmental Funds Balance Sheet, Statement of Net Assets.

General Government expenses increased by about \$1,973.50 during the year. This was anticipated given the known problems within capital outlays.

The Township's Funds

The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township Board creates funds to help manage money for specific purposes as well as to show accountability for certain activities such as special property tax millages.

The General Fund, Fire Operating Fund, Liquor Law Fund and Water Operating & Maintenance Fund pay for most of the Township's governmental services.

Fund Budgetary Highlights:

Over the course of the year the Township Board was able to maintain the township departments within their prescribed budgets

Capital Asset and Debt Administration:

As of March 31, 2004, the Township had \$1,283,393 invested in a broad range of capital assets, including buildings and fire equipment and municipal Water Department equipment. In addition, the Township has

invested significantly in major and local roads within the Township. These assets are not reported in the Township's financial statements because of Michigan law which makes these roads the property of the County Road Commission (along with the responsibility to maintain them).

At the end of the 2003-2004 fiscal year, the Charter Township of Filer has invested in a broad range of capital assets, including the Township Hall on Filer City Road., the Fire Department along with the new addition at 2706 Nelson Street, three Water Department pump houses and a second water tower on Red Apple Road, five Fire and one Water Department truck. A Recreation Center on Oak Drive and two parks are also listed as assets as well as an accu-vote, Western Plow, and meeting hall table.

Economic Factors and Next Year's Budgets and Rates:

Filer Township's 2004-2005 budget calls for voted millage of 1.5 mills for the General Fund, .5 mil for the Fire Department General Operating and 1 mil for Garbage Operating all subject to the Headlee Rollback. Monies generated by these millages go to provide state mandated services, the services of our Fire Department, weekly trash pickup and a spring trash collection as well as grass and leaf dumpsters, secretarial services and maintenance and custodial services.

The above can be accomplished by voted millage and the growth in our tax base. Because of the impact of Proposal A, however, the Township needs to continue to watch its budget very closely. The state-wide tax reform act limits growth in taxable value by less than inflation. The mathematical result of this is that the total taxable value for the Township will grow less than by inflation, before considering new property additions.

General Overview of the Accomplishments of the Charter Township of Filer in the 2003-2004 Fiscal Year:

Voted to purchase office equipment and shelving for the Fire Department at an amount not to exceed \$1,290.00.

Voted to approve \$700.00 for purchase of two picnic tables for Oak Hill Park and the purchase of two grills for Magoon Creek at a cost not to exceed \$500.00 each.

Voted to approve the presented local road improvement contract for paved shoulders on Red Apple, Ramona and Cherry Roads.

Voted to approve the purchase of 190 water meters.

Voted to adopt an Ordinance authorizing the acquisition and construction of additions, extensions and improvements to existing Water Supply System in the Charter Township of Filer; to provide for

the issuance and sale of paying the cost of said improvements under the provisions of Act 94 of the Michigan Public Acts of 1933, as amended; to provide for other matters relative to said improvements and bonds.

Voted to approve the Purpose and Operating Policies and Procedures of the Manistee Area P.E.G. Commission.

Voted to accept the property offered by the Manistee County Foundation (parcel #51-06-114-350-05) located on Red Apple Road.

Voted to purchase a 10 HP leaf blower at a cost of \$835.00.

Voted to approve presented fiscal year 2005 Budget with the addition of changes discussed in the February 13, 2004 Budget Hearing and appropriate millage for the purpose of: 1.4139 Township Operating, .4917 Fire and .9835 Trash.

The Charter Township of Filer Board held 12 regular or re-scheduled regular board meetings, one special meeting, and three public hearings.

The Planning Commission held 12 regular meetings, and three public hearings.

The Zoning Board of Appeals Board met five times.

The Board of Review met six days - one in February, three in March, one in July and one in December.

Forty-eight Land Use Permits; seven Land Divisions; six Appeals; two Zoning Amendments; six Special Use Permits. Not all applications or appeals were granted.

The Recreation Center was rented 21 times for showers, graduations, weddings etc.

Contacting the Township's Management:

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office at (231) 723-3138.

Governmental Wide Statements

Filer Township, Michigan
Statement of Net Assets
All Fund Types Discreetly Presented Component Units
As Of March 31, 2004

	Governmental Activities	Business-Type Activities	Total Governmental Funds	Discreetly Presented Component Units
<u>Assets</u>				
Cash and Investments	\$1,373,177	\$464,389	\$1,837,566	\$223,698
Accounts Receivable	0	3,954	3,954	
Taxes Receivable	8,599	0	8,599	
Special Assessments Receivable	39,361	0	39,361	
Unbilled Receivable	0	25,917	25,917	
Prepaid Insurance	7,740	0	7,740	
Due From Other Agencies	28,837	0	28,837	
Due From Other Funds	66,263	28,000	94,263	
Net Capital Assets	1,180,584	102,809	1,283,393	
Total Assets	2,704,561	625,069	3,329,630	223,698
<u>Liabilities and Fund Balance</u>				
Liabilities				
Accounts Payable	1,254	0	1,254	
Accrued Salaries & Wages	0	224	224	
Deferred Revenue	0		0	
Due to Other Agencies	0		0	28,837
Due to Other Funds	94,263		94,263	
Notes Payable	835,000		835,000	
Compensated Absences	9,083	198	9,281	
Total Liabilities	939,600	422	940,022	28,837
Net Assets				
Restricted	224,241	62,419	286,660	
Unrestricted	1,540,720	562,228	2,102,948	194,861
Total Fund Equity	1,764,961	624,647	2,389,608	194,861
Total Liabilities and Fund Balance	\$2,704,561	\$625,069	\$3,329,630	\$223,698

Filer Township
Statement of Revenues, Expenditures and Changes in Net Assets
All Governmental Fund Types and Discreetly Presented Component Units
For the Year Ended March 31, 2004

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions		Component Unit
			Grants and Contributions	Activities	Governmental Activities	Primary Government Business-type Activities	
Primary government							
Governmental activities:							
General government	\$205,705	\$1,312			(\$204,393)		(\$204,393)
Public safety					0	0	0
Public works	256,525				(256,525)		(256,525)
Health and Recreation	17,497				(17,497)		(17,497)
Community and Economic Development	0				0	0	0
Depreciation on Fixed Assets	42,469				(42,469)		(42,469)
Interest on Long Term Debt	40,629				(40,629)		(40,629)
Total Governmental Activities	562,825	1,312	0	0	(561,513)		(561,513)
Business Type Activities							
Water and Sewer	\$82,886	\$123,338				\$40,452	\$40,452
Total Primary Government							
Component Units	\$29,141						
General revenues:							
Taxes							
Property Taxes-general					\$376,635		\$376,635
Property Taxes-debt service					58,558		58,558
State-Shared Revenues					174,272		174,272
Unrestricted Investment Earnings					30,898		30,898
Franchise taxes					22,966		22,966
Miscellaneous					63,787	94,202	157,989
Transfers						0	78,722
Total General Revenues-Special Items and Transfers					727,116	94,202	821,318
Changes in Net Assets					165,603	134,654	300,257
Net Assets - Beginning					1,348,823	427,574	1,359,225
Net Assets - Ending					\$1,514,426	\$562,228	\$1,659,482
Reconciliation							
Change in Net Assets					\$165,603		
Add: Depreciation					42,469		
Less:							
Payment of Long Term Debt					(10,000)		
Purchase of Fixed Assets					(744,587)		
Change in Fund Balance					(\$546,495)		

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Fund Statements

Filer Township, Michigan
Balance Sheet
All Governmental Fund Types and Discreetly Presented Component Units
As Of March 31, 2004

Assets	General Fund	Fire Operating Fund	Other Non Major Funds	Total Governmental Funds	Discreetly Presented Component Units	Total
Cash and Investments	\$983,288	\$274,974	\$114,915	\$1,373,177	\$222,430	\$1,595,607
Accounts Receivable	0	0	0	0	0	0
Taxes Receivable	8,599	0	0	8,599	0	8,599
Special Assessments Receivable	39,361	0	0	39,361	0	39,361
Unbilled Receivable	0	0	0	0	0	0
Prepaid Insurance	7,740	0	0	7,740	0	7,740
Due From Other Agencies	28,837	0	0	28,837	0	28,837
Due From Other Funds	2,022	0	64,241	66,263	0	66,263
Net Capital Assets	0	0	0	0	0	0
Total Assets	1,069,847	274,974	179,156	1,523,977	222,430	1,746,407

Liabilities and Fund Balance						
Liabilities						
Accounts Payable	1,418		(164)	1,254		1,254
Accrued Salaries & Wages	0	0	0	0	0	0
Deferred Revenue	0	0	0	0	0	0
Due to Other Agencies	0	0	0	0	28,837	28,837
Due to Other Funds	28,000	1,892	64,371	94,263	0	94,263
Notes Payable	0	0	0	0	0	0
Compensated Absences	9,083	0	0	9,083	0	9,083
Total Liabilities	38,501	1,892	64,207	104,600	28,837	133,437

Fund Equity						
Fund Balances:						
Reserved		160,000	64,241	224,241		224,241
Unreserved	1,031,346	113,082	50,708	1,195,136	193,593	1,388,729
Total Fund Equity	1,031,346	273,082	114,949	1,419,377	193,593	1,612,970
Total Liabilities and Fund Balance	\$1,069,847	\$274,974	\$179,156	\$1,523,977	\$222,430	\$1,746,407

Reconciliation with Governmental:	
Fund Balance	\$1,419,377
Less: Long Term Debt	(835,000)
Add: Net Capital Assets	1,180,584
Net Assets	\$1,764,961

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
All Governmental Fund Types and Discreetly Presented Component Units
For the Year Ended March 31, 2004

Revenues	General Funds	Fire Operating Fund	Other Non Major Funds	Total Governmental Funds	Component Units	Total Governmental
Taxes	\$318,412	\$58,223	\$58,558	\$435,193	\$78,722	\$513,915
Licenses	4,848		0	4,848		4,848
State of Michigan	155,697		18,575	174,272		174,272
Charges for Services	1,312		0	1,312		1,312
Interest & Rentals	23,947	4,260	2,691	30,898	554	31,452
Other Revenues	49	34,460	-14,315	20,194	0	20,194
Donations	0		0	0		0
Cable Franchise Fees	22,966		0	22,966		22,966
Reimbursements	38,745		0	38,745		38,745
Total Revenues	565,976	96,943	65,509	728,428	79,276	807,704
Expenditures						
Current						
Legislative	93,357		0	93,357	0	93,357
General Government	112,348		0	112,348	29,141	141,489
Planning and Zoning	39,057		0	39,057	0	39,057
Public Works	189,374		1,800	191,174	0	191,174
Recreation	17,497		0	17,497	0	17,497
Public Safety		69,076	0		0	
Miscellaneous	0		50,629	50,629	0	
Capital Outlay	0	19,918	724,649	744,567	0	744,567
Total Expenditures	451,633	88,994	777,078	1,248,629	29,141	1,227,141
Excess Revenue (Expenditures)	114,343	7,949	(711,569)	(520,201)	50,135	(419,437)
Operating Transfers In	0			0		0
Operating Transfers (Out)	0			0		0
Proceeds from Debt	0	0	0	0	0	0
Fund Balance/Retained Earnings - Beginning of Year	0	0	0	0	0	0
Fund Balance/Retained Earnings - End of Year	\$114,343	\$7,949	(\$711,569)	(\$520,201)	\$50,135	(\$419,437)

**Filer Township
Comparative Balance Sheet
Proprietary Fund Type-Water Fund**

March 31, 2003 & 2004

<u>Assets</u>	<u>March 31, 2003</u>	<u>March 31, 2004</u>
Current Assets		
Cash	\$329,832	\$464,389
Accounts Receivable	4,230	3,954
Due From General Fund	33,000	28,000
Unbilled Receivable	25,230	25,917
Total Current Assets	<u>392,292</u>	<u>522,260</u>
Fixed Assets		
Plant, Property, & Equipment	429,395	429,395
Less: Accumulated Depreciation	(324,329)	(326,586)
Total Fixed Assets	<u>105,066</u>	<u>102,809</u>
Total Assets	<u><u>497,358</u></u>	<u><u>625,069</u></u>
<u>Liabilities & Fund Balance</u>		
Current Liabilities		
Accounts Payable	0	0
Accrued Salaries & Wages	224	224
Long Term Debt		
Compensated Absences	198	198
Total Liabilities	<u>422</u>	<u>422</u>
Fund Equity		
Contributed Capital - Federal & State	328,000	328,000
- Local	32,392	32,392
Less: Amortization	(291,029)	(297,973)
Net Contribution Capital	<u>69,363</u>	<u>62,419</u>
Retained Earnings	<u>427,574</u>	<u>562,228</u>
Total Fund Balance	<u>496,937</u>	<u>624,647</u>
Total Liabilities & Fund Balance	<u><u>\$497,359</u></u>	<u><u>\$625,069</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Revenues, Expenditures & Changes in Retained Earnings
Proprietary Fund Type-Water Fund

For The Year Ended March 31, 2004

	<u>Actual</u>
<u>Operating Revenues</u>	
Meter Sales	\$123,338
Total Revenues	<u>123,338</u>
<u>Operating Expenses</u>	
Administration	0
Labor, Ins and Fica	37,920
Office Supplies	497
Operating Supplies	7,135
Printing	1,497
Public Utilities	9,426
Repairs & Maintenance	16,634
Miscellaneous	1,826
Professional Services	2,871
Depreciation	2,257
JP Morgan	9,106
Vehicle	661
Capital Expenditures	0
Total Operating Expenses	<u>89,830</u>
Operating Income	33,508
<u>Non-Operating Income</u>	
Interest	2,480
Transfer from General-Hydrant Rental	4,000
Miscellaneous	87,722
Amortization Charges to Contributed Capital	<u>6,944</u>
Net Income - Current Period	134,654
Retained Earnings - Beginning of Year	<u>427,574</u>
Prior Period Adjustment	0
Retained Earnings - End of Year	<u><u>\$562,228</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Cash Flow
Proprietary Fund Type-Water Fund

For The Year Ended March 31, 2004

Cash Flow from Operating Activities

Operating Income	\$35,765
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation Expense	2,257
Hydrant Rental	4,000
Changes in Assets and Liabilities	
Decrease in Accounts Receivable	(276)
Increase in Accounts Payable	0
Decrease in Unbilled Receivable	687
	<u>687</u>
Net Cash Provided by Operating Activities	42,433

Cash Flow from Investing Activities

Interest Income	2,458
Purchase of Fixed Assets	0
Change in Contributed Capital	6,944
Miscellaneous	87,722
Decrease in Due From General Fund	(5,000)
Total Increase from investing	<u>92,124</u>
Net Increase in Cash	134,557
Cash Beginning of Year	<u>329,832</u>
Cash at End of Year	<u><u>\$464,389</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Changes in Assets and Liabilities - Net
All Agency Funds-Trust and Agency

For the Year Ended March 31, 2004

	Actual Year Ended March 31, 2003	Change (Net)	Actual Year Ended March 31, 2004
<u>Assets</u>			
Cash	\$345	\$20,153	\$20,498
Total Assets	345	20,153	20,498
<u>Liabilities and Fund Balance</u>			
Liabilities			
Due to Other Funds	345	20,153	20,498
Total Liabilities and Fund Balance	\$345	\$20,153	\$20,498

**Filer Township
Balance Sheet
Downtown Development Authority**

For the Year Ended March 31, 2004

	Actual Year Ended March 31, 2004	
<u>Assets</u>		
Cash	\$222,430	
Taxes Receivable	<u>0</u>	
Total Assets		<u>222,430</u>
<u>Liabilities and Fund Balance</u>		
Liabilities		
Accounts Payable	0	
Deferred Revenue	0	
Due to Other Units	<u>28,837</u>	
Total Liabilities		28,837
Fund Equity		
Fund Balances:		
Unreserved	<u>193,593</u>	
Total Fund Equity		<u>193,593</u>
Total Liabilities and Fund Balance		<u>\$222,430</u>

Filer Township
Statement of Revenues, Expenditures and Changes in Fund Balance
Downtown Development Authority

For the Year Ended March 31, 2004

	Actual Year Ended March 31, 2004	
<u>Revenue</u>		
Revised Debt GF	\$0	
Interest Income	549	
Misc Revenue	<u>78,722</u>	
Total Revenue		79,271
<u>Expense</u>		
Utilities	759	
Christmas Lights	2,280	
Capital Outlay	0	
Legal	365	
Contract Svs	<u>25,737</u>	
Total Expense		<u>29,141</u>
Increase (Decrease) in Revenue		50,130
Fund Balance April 1, 2003		<u>143,463</u>
Fund Balance March 31, 2004		<u><u>\$193,593</u></u>

**Filer Township
Balance Sheet
Economic Development Commission**

For the Year Ended March 31, 2004

	Actual Year Ended March 31, 2004	
<u>Assets</u>		
Cash	\$1,268	
Taxes Receivable	<u>0</u>	
Total Assets		<u>1,268</u>
<u>Liabilities and Fund Balance</u>		
Liabilities		
Total Liabilities		0
Fund Equity		
Fund Balances:		
Unreserved	<u>1,268</u>	
Total Fund Equity		<u>1,268</u>
Total Liabilities and Fund Balance		<u>\$1,268</u>

Filer Township
Statement of Revenues, Expenditures and Changes in Fund Balance
Economic Development Commission

For the Year Ended March 31, 2004

	Actual Year Ended March 31, 2004
<u>Revenue</u>	
Revised Debt GF	\$0
Interest Income	5
Misc Revenue	<u>0</u>
Total Revenue	5
<u>Expense</u>	
Legal	0
Misc	<u>0</u>
Total Expense	<u>0</u>
Increase (Decrease) in Revenue	5
Fund Balance April 1, 2003	<u>1,263</u>
Fund Balance March 31, 2004	<u><u>\$1,268</u></u>

**FILER TOWNSHIP
FOOTNOTES TO FINANCIAL STATEMENTS**

1. Summary of Significant Accounting Policies

The accounting policies of the Township conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies.

A. Reporting Entity

Filer Township is a Charter Township located in Manistee County, Michigan. The Township is governed by an elected seven member board. Services are provided to approximately 2,000 residents and include fire protection, road maintenance, rubbish removal, water distribution and general community enrichment services. The criteria established for determining the various agencies and boards to be included in the Township's general purpose financial statements depends on the extent such agencies and boards are a part of, controlled by or dependent on the Township. The criterion used to determine the reporting entity, "is the ability to exercise oversight responsibility over such agencies by the governmental unit's elected officials". As such, the Township has incorporated the Downtown Development Authority and the Economic Development Commission as Component Units of the Township which requires a discreet presentation in accordance with GASB 14. Thus, two totals (as memo only) are included in the presentation of the statements which are the primary government and a total which includes both primary government and component units.

B. Government-Wide and Fund Financial Statements

The Government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Summary of Significant Accounting Policies

Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements.

Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

Basis of Accounting

Basis of Accounting refers to how revenue and expenditures or expenses are recognized in the account and reported in the financial statements. The basis of accounting, as required under generally accepted accounting principles, varies for each fund.

General, special revenue, debt service, capital projects and trust and agency funds should be accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized in the accounting period in which it becomes available and measurable. Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable.

The accounting policies of Filer Township conform to generally accepted accounting principles and include the following fund types

1. Government Fund Types use modified accrual basis and include -

The *general funds* account for fiscal resources in use for general types of operations. The general fund is a budgeted fund and any fund balances are considered as resources available for use. Revenues are derived primarily from property taxes and state and federal distributions, grants and other intergovernmental revenues.

The *special revenue funds* account for specific governmental revenues requiring separate accounting because of legal or regulatory provisions or administrative action. These funds are employed to maintain integrity for the various sources of fund.

The *capital projects funds* account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

The *debt service funds* account for the accumulation of resources for, and the payment of, general long-term debt principal and interest recorded in the General Long-Term Debt Account Group.

2. Fiduciary fund types include -

The *Trust and Agency Fund* is unbudgeted and accounts for activities within those areas wherein the Township is operating in either a trust or agency status. These funds have no equity, assets are equal to liabilities, and do not include revenues and expenditures for general operations of the Township.

3. Proprietary fund types include -

The *enterprise funds* use the full accrual basis for operations: (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or, (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net

income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

D. Fixed Assets

All Proprietary funds are accounted for on a cost of service measurement focus. The operating statements present increases and decreases in net total assets. Depreciation of all fixed assets is charged as an expense against their operations. Accumulated depreciation is reported on the balance sheet. Depreciation for the Proprietary funds is computed as follows:

<u>Description</u>	<u>Method</u>	<u>Life</u>
Equipment	Straight Line	25 years
Plant	Straight Line	50 years

E. Fixed Assets - Governmental Funds

All Governmental funds are accounted for on a modified accrual basis of accounting. All capital outlay is expensed in the appropriated fund. Under GASB 34. All fixed assets (net of accumulated depreciation) and long term debt are booked on the balance sheet as Net Assets and Long Term Debt. Depreciation of all fixed assets is charged as an expense against their operations. Accumulated depreciation is reported on the balance sheet. Depreciation for the Governmental Funds is computed as follows:

<u>Description</u>	<u>Method</u>	<u>Life</u>
Equipment	Straight Line	5 to 25 years
Plant	Straight Line	30 to 50 years

D. Budgets and Budgetary Accounting

The general fund and enterprise fund types are under formal budgetary control. Budgets shown in the financial statements for these funds were prepared on a basis the same as the modified accrual basis used to reflect operations and include those amounts formally appropriated by the Township Board.

2. Excess of Expenditures over Appropriations

The local unit shall not incur expenditures in excess of appropriations. This also requires a disclosure of all such functional areas which exceeded budget. As such, a budgeted statement is included in the supplementary data portion of these financial statements.

The expenditures were all approved by the Board except for those which occurred as accounts payable at year end. The following areas had deficit budget during the year ended March 31, 2004:

	Budget	Actual	Variance
Garbage Pick Up	108,000	112,197	4,197

3. Financial Control of Funds

As authorized by Act 20, Public Act of 1943, as amended, states that the Township, by resolution may authorize its treasurer to invest surplus funds in the following manner:

1. Direct obligations of the United States or an agency or instrumentality of the United States.
2. In any account or depository which is a member of the F.D.I.C. or a savings and loan which is a member of the Federal Savings and Loan Insurance Corporation, or a credit union which is insured by the National Credit Union Administration.
3. Fifty percent of the funds may be invested in commercial paper rated at the time of purchase within the three highest classifications by not less than two standard rating agencies and which mature not more than 270 days following the date of purchase.
4. In United States Government of federal agency obligations repurchase agreements.
5. In bankers acceptances of the United States banks.
6. In mutual funds composed of investment vehicles which are legal for direct investment of local units of government in Michigan.

4. Cash and Investments

A. Legal or Contractual Provisions for Deposits and Investments

The Michigan Political Subdivisions Act No. 20, Public Acts of 1943, as amended by Act No. 217, Public Acts of 1982, states the Authority by which Treasurers may invest funds and includes the following:

- a) Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b) Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is eligible to be a depository of funds belonging to the state under a law or rule of this state or the United States.
- c) Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.
- d) Repurchase agreements consisting of instruments listed in subdivision (a).
- e) Bankers' acceptances of United States banks.
- f) Obligations of this state or any of its political subdivisions that at the time of

purchase are rated as investment grade by not less than 1 standard rating service.

g) Mutual funds registered under the investment company act of 1940, title I of chapter 686, 54 Stat. 789, 15 USC 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. However, a mutual fund is not disqualified as a permissible investment solely by reason of either of the following:

- i) The purchase of securities on a when-issued or delayed delivery basis.
- ii) The ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned.
- iii) The limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.

h) Obligations described in subdivisions (a) through (g) if purchased through an interlocal agreement under the urban cooperation act of 1967.

i) Investment pools organized under the surplus funds investment pool act, 1982 PA 367.

j) The investment pools organized under the local government investment pool act, 1985 PA 121. In bonds, securities and other obligations of the United States, or an agency or instrumentality of the United States, in which the principal and interest is fully guaranteed by the United States.

B. Deposits of the Township are as authorized by the Township Board and the Board of the Component Unit. A summary of these accounts and amounts is included in the supplemental data section of this report. All funds of Filer Township have been invested in those depositories or investments as authorized by Michigan Compiled Laws Section 129.91. The balance sheet account for all funds includes all cash, investments and imprest (petty cash) funds.

In accordance with GASB Statement No. 3, risk disclosures must be made to indicate the amounts of cash insured or uninsured. A general summary of these assets is as follows:

	<u>Carrying Value</u>
Insured	\$ 264,251
Uninsured	\$ 1,343,813

The Township also has \$251,000 invested in certificates of deposit.

The Downtown Development Authority has all of its cash and investments in a single savings account with a balance of \$222,430.

	<u>Carrying Value</u>
Insured	\$100,000
Uninsured	122,430

The Economic Development Commission has all of its cash in a single savings account with a balance of \$1,268 which is insured and has a bank balance of \$1,268.

6. Long Term Debt

The Long Term Debt of Filer Township consists of and \$850,000 general obligation bond titled 2002 General Obligation Unlimited Tax Bond. The interest due is payable semiannually on April 1 and November 1 and the principal is payable on these bonds as follows:

	Principal	Interest
November 1, 2004		17,511
April 1, 2005	15,000	21,984
November 1, 2005		21,984
April 1, 2006	15,000	21,634
November 1, 2006		21,634
April 1, 2007	20,000	21,109
November 1, 2007		21,109
April 1, 2008	20,000	20,584
November 1, 2008		20,584
April 1, 2009	20,000	19,884
November 1, 2009- April 1, 2014	175,000	184,118
November 1, 2014- April 1, 2019	310,000	159,658
November 1, 2019- April 1, 2022	<u>260,000</u>	<u>56,459</u>
Total	835,000	608,252

5. Use Of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

6. Pension Plan

The Township participates in a defined contribution pension plan covering all elected officials; the Fire Chief, Water Department Foreman, Pool Manager and all other full-time employees. The Township contributes 75% of the premium, based on annual compensation while plan members contribute the remaining 25%. Plan members may make additional voluntary contributions. The Township's contribution for the year ended March 31, 2004 amounted to \$3,043.

7. Compensated Absences and Post Employment Benefits

The Township pays for compensated absences which are reflected in the balance sheet. They do not have any post employment benefits.

8. Reserved Fund Balance

A portion of the unreserved fund balance has been designated for specific purposes as indicated on the Balance Sheet.

10. Risk Management

The Township carries commercial insurance as a protection against risk.

SUPPLEMENTAL DATA SECTION

WILSON, WARD CPA FIRM

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Interlochen, MI 49643

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To the Board of Trustees
Filer Charter Township, MI

We have audited the combined financial statements of the Filer Charter Township, Michigan for the year ended March 31, 2004. Our audits were made for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying schedules, as listed in the table of contents, are presented for purposes of the additional analysis and are not a required part of the combined financials statements. Such information has been subjected to the auditing procedures applied in the audits of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Wilson, Ward CPA Firm

Interlochen, MI
September 28, 2004

General Fund

**Filer Township
Balance Sheet
General Fund**

As Of March 31, 2004

Assets

Cash In Bank and Investments	\$983,288
Accounts Receivable	0
Taxes Receivable	8,599
Special Assessments Rec	39,361
Due From Other Agencies	28,837
Due From Other Funds	2,022
Prepaid Insurance	7,740
Construction Work In Progress	0
Total Assets	<u>1,069,847</u>

Liabilities and Fund Balance

Liabilities

Accounts Payable	1,418
Accrued Salaries & Wages	0
Deferred Revenue	0
Due To Other Funds	28,000
Accrued Benefits	9,083
Total Liabilities	<u>38,501</u>

Fund Balance

Reserved for Equipment Replacement	0
Unreserved	1,031,346
Total Fund Balance	<u>1,031,346</u>

Total Liabilities and Fund Balance	<u>\$1,069,847</u>
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THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget Vs Actual
General Fund

For the Year Ended March 31, 2004

	Original Budget Year Ended March 31, 2004	Amended Budget Year Ended March 31, 2004	Actual Year Ended March 31, 2004	Variance Favorable (Unfavorable)
Revenue				
Current Property Taxes	\$271,000	\$271,000	\$266,532	(\$4,468)
Delinquent Taxes	14,000	14,000	7,069	(6,931)
Penalties on Taxes	0	0	173	173
Admin Fees	40,000	40,000	44,638	4,638
Licenses and Permits	3,000	3,000	4,848	1,848
State Shared Revenues	160,000	160,000	155,697	(4,303)
Use Fees	0	0	0	0
Charge for Services	500	500	1,312	812
Earned Interest	16,000	16,000	20,672	4,672
Rents and Royalties	2,500	2,500	3,275	775
Cable Franchise	16,500	16,500	22,966	6,466
Misc	5,000	5,000	49	(4,951)
Total Revenues	528,500	528,500	527,231	(1,269)
Reimbursements	0	0	38,745	38,745
Total Receipts	528,500	528,500	565,976	37,476
Expenditure				
Legislative				
Township Board:				
Salaries and Wages	27,900	27,900	26,750	1,150
Benefits	9,500	9,500	31,271	(21,771)
Pension	4,000	4,000	3,043	957
Office Supplies	500	500	617	(117)
Professional Services	75,000	75,000	8,167	66,833
Mileage	2,000	2,000	3,469	(1,469)
Printing and Advertising	5,000	5,000	14,098	(9,098)
Insurance and Bonds	12,000	12,000	5,222	6,778
Misc	5,000	5,000	720	4,280
Total Township Board	140,900	140,900	93,357	47,543
General Government:				
Township Supervisor:				
Salaries and Wages	11,000	11,000	9,855	1,145
Office Supplies	300	300	0	300
Mileage	300	300	418	(118)
Misc	1,000	1,000	625	375
Total Township Supervisor	12,600	12,600	10,898	1,702
Elections:				
Salaries and Wages	0	0	789	(789)
Office Supplies	500	500	646	(146)
Prof Services	6,500	6,500	1,226	5,274
Printing	0	0	452	(452)
Total Elections	\$7,000	\$7,000	\$3,113	\$3,887

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund

For the Year Ended March 31, 2004

	Original Budget Year Ended March 31, 2004	Amended Budget Year Ended March 31, 2004	Actual Year Ended March 31, 2004	Variance Favorable (Unfavorable)
Assessor:				
Salaries and Wages	\$0	\$0	\$0	\$0
Supplies	700	700	95	605
Professional Services	25,300	25,300	24,870	430
Mileage and Travel	0	0	0	0
Publications	0	0	11	(11)
Insurance	0	0	0	0
Misc	0	0	0	0
Total Assessor	26,000	26,000	24,976	1,024
Clerk:				
Salaries and Wages	11,600	11,600	12,344	(744)
Office Supplies	500	500	0	500
Mileage	500	500	742	(242)
Misc	1,800	1,800	835	965
Total Clerk	14,400	14,400	13,921	479
Board of Review:				
Salaries	1,000	1,000	840	160
Misc	150	150	39	111
Total Board of Review	1,150	1,150	879	271
Treasurer:				
Salaries and Wages	11,000	14,500	13,982	518
Office Supplies		0	31	(31)
Telephone	300	300	10	290
Mileage	400	400	35	365
Printing	0	0	0	0
Total Treasurer	11,700	15,200	14,058	1,142
Township Hall and Grounds:				
Salaries & Wages	20,800	20,800	12,128	8,672
Benefits	7,800	7,800	5,444	2,356
Supplies	7,500	7,500	7,665	(165)
Prof Services	1,000	1,000	2,795	(1,795)
Telephone	3,500	3,500	3,218	282
Public Utilities	3,500	3,500	2,987	513
Repairs	10,000	10,000	1,374	8,626
Misc.	3,000	3,000	3,692	(692)
Total Township Hall	\$57,100	\$57,100	\$39,303	\$17,797

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund

For the Year Ended March 31, 2004

	Original Budget Year Ended March 31, 2004	Amended Budget Year Ended March 31, 2004	Actual Year Ended March 31, 2004	Variance Favorable (Unfavorable)
Other Township Bldgs and Grounds:				
Salaries & Wages	\$0	\$0	\$315	(\$315)
Benefits	0	0	0	0
Supplies	0	0	159	(159)
Prof Services	0	0	0	0
Telephone	0	0	0	0
Public Utilities	1,500	1,500	1,330	170
Repairs	6,500	6,500	34	6,466
Misc.	0	0	3,362	(3,362)
Total Other Bldgs and Grounds	8,000	8,000	5,200	2,800
 Total General Government	 138,450	 141,950	 112,348	 29,602
Planning and Zoning:				
Salaries and Wages	18,000	20,000	11,384	8,616
Supplies	300	300	10	290
Professional Services	15,000	15,000	25,154	(10,154)
Mileage	500	500	945	(445)
Printing	1,000	1,000	1,540	(540)
Misc	2,000	2,000	24	1,976
Total Planning and Zoning	36,800	38,800	39,057	(257)
Public Works:				
Street Lighting	35,162	35,162	30,293	4,869
Highway Drains	2,000	2,000	2,000	0
Road Work	15,188	45,188	44,884	304
Infrastructure Capital Outlay	0	0	0	0
Total Public Works	52,350	82,350	77,177	5,173
Recreation and Cultural:				
Parks Recreation and Memorial				
Salaries	5,500	5,500	4,217	1,283
Operating Supplies	1,500	1,500	2,109	(609)
Professional Services	15,000	15,000	9,365	5,635
Maintenance	500	500	458	42
Misc	3,500	3,500	1,348	2,152
Public Utilities	0	0	0	0
Total Parks and Recreation	\$26,000	\$26,000	\$17,497	\$8,503

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund

For the Year Ended March 31, 2004

	Original Budget Year Ended March 31, 2004	Amended Budget Year Ended March 31, 2004	Actual Year Ended March 31, 2004	Variance Favorable (Unfavorable)
Garbage Pick Up	\$108,000	\$108,000	\$112,197	(\$4,197)
Total Expenditures	<u>502,500</u>	<u>538,000</u>	<u>451,633</u>	<u>86,367</u>
Excess Revenues			114,343	
OTHER FINANCING SOURCES				
Operating Transfers In(Out)			0	
Excess Revenue & Other Financing Uses Over (Under) Expenditures			114,343	
Fund Balance - Beginning of Year			<u>917,003</u>	
Prior Period Adjustment			0	
Fund Balance - End of Year			<u><u>\$1,031,346</u></u>	

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Special Revenue Fund

**Filer Township
Combining Balance Sheet
Special Revenue Funds**

As Of March 31, 2004

	Fire Fund	Liquor Law Enforcement Fund	Total
<u>Assets</u>			
Cash in Bank	\$274,974	\$18,971	\$293,945
Taxes Receivable	0		0
Total Assets	<u>274,974</u>	<u>18,971</u>	<u>293,945</u>
<u>Liabilities and Fund Balance</u>			
Liabilities			
Accounts Payable	0	(164)	(164)
Due to General Fund	1,892	130	2,022
Total Liabilities	<u>1,892</u>	<u>(34)</u>	<u>1,858</u>
Fund Balance			
Reserved for Equipment Replacement	160,000		160,000
Unreserved	113,082	19,005	132,087
Total Fund Balance	<u>273,082</u>	<u>19,005</u>	<u>292,087</u>
Total Liabilities and Fund Balance	<u>\$274,974</u>	<u>\$18,971</u>	<u>\$293,945</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Filer Township
Balance Sheet
Fire Fund**

As Of March 31, 2004

Assets

Cash In Bank	\$274,974
Taxes Receivable	0
Prepaid Insurance	0
Total Assets	<u>274,974</u>

Liabilities and Fund Balance

Liabilities

Accounts Payable	0
Due to General Fund	1,892
Total Liabilities	<u>1,892</u>

Fund Balance

Reserved for Equipment Replacement	160,000
Unreserved	113,082
Total Fund Balance	<u>273,082</u>

Total Liabilities and Fund Balance	<u>\$274,974</u>
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THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Filer Township
Balance Sheet
Liquor Law Enforcement Fund**

As Of March 31, 2004

<u>Assets</u>	
Cash In Bank	<u>\$18,971</u>
Total Assets	<u>18,971</u>
<u>Liabilities and Fund Balance</u>	
Due to General Fund	130
Accrued Salaries	(164)
Unreserved Fund Balance	<u>19,005</u>
Total Liabilites and Fund Balance	<u>\$18,971</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Combining Statement of Revenues, Expenditures & Changes in Fund Balance
Budget vs Actual
Special Revenue Funds

For The Year Ended March 31, 2004

Revenues	Liquor Law Enforcement			Fire Operating			Total		
	Original Budget	Amended Budget	Actual	Original Budget	Amended Budget	Actual	Original Budget	Amended Budget	Actual
Property Taxes									
Delinquent Prop Taxes				\$48,500	\$48,500	\$54,661	\$48,500	\$48,500	\$54,661
State of Michigan	4,050	4,050	4,087	7,000	7,000	3,562	7,000	7,000	3,562
Interest	0	0	0	9,000	9,000	4,260	4,050	4,050	4,087
Grants						18,575	9,000	9,000	4,260
Miscellaneous				1,500	1,500	15,885	1,500	1,500	18,575
Total Revenue	\$4,050	\$4,050	\$4,087	\$37	\$66,000	\$96,943	\$70,050	\$70,050	\$101,030
						\$12,368			\$30,980
Expenditures									
Salaries & Wages	\$1,550	\$1,550	\$1,700	(\$150)	\$32,300	\$30,435	\$1,865	\$33,850	\$32,135
Supplies	100	100	100	0	10,000	11,338	8,662	10,100	11,438
Hydrant Rental					2,000	2,000		2,000	2,000
Telephone					1,000	1,000	(959)	1,000	1,959
Travel					400	0		400	0
Insurance					500	3,838	(3,338)	500	3,838
Public Utilities					3,500	5,882	(2,382)	3,500	5,882
Miscellaneous	2,400	2,400	0	2,400	5,000	11,765	(6,765)	7,400	11,765
Repairs					2,000	1,859	141	2,000	1,859
Capital Expenditures					6,000	19,918	(13,918)	6,000	19,918
Total Expenditures	4,050	4,050	1,800	2,250	62,700	88,994	(16,694)	66,750	90,794
Excess Revenues (Expenditures)	0	0	2,287	2,287	3,300	7,949	(4,326)	3,300	10,236
Fund Balance - Beginning of Year			16,718			105,133			121,851
Prior Period Adjustment			0			0			0
Fund Balance - End of Year			\$19,005			\$113,082			\$132,087

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Combining Statement of Revenues, Expenditures & Changes in Fund Balance
Special Revenue Funds

For The Year Ended March 31, 2004

	Fire Fund	Liquor Law Enforcement Fund	Total
<u>Revenues</u>			
Property Taxes	\$54,661		\$54,661
Delinquent Property Taxes	3,562		3,562
State of Michigan		4,087	4,087
Interest	4,260	0	4,260
Grants	18,575		18,575
Miscellaneous	15,885		15,885
Total Revenue	<u>96,943</u>	<u>4,087</u>	<u>101,030</u>
<u>Expenditures</u>			
Law Enforcement		1,800	1,800
Fire Protection	88,994		88,994
Total Expenditures	<u>88,994</u>	<u>1,800</u>	<u>90,794</u>
Excess Revenue (Expenditures)	7,949	2,287	10,236
Fund Balance - Beginning of Year	<u>105,133</u>	<u>16,718</u>	<u>121,851</u>
Prior Period Adjustment	0	0	0
Fund Balance - End of Year	<u>\$113,082</u>	<u>\$19,005</u>	<u>\$132,087</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Revenues, Expenditures & Changes in Fund Balance
Fire Fund

For The Year Ended March 31, 2004

Revenues

Property Taxes	\$54,661
Delinquent Property Taxes	3,562
Interest	4,260
Grant FEMA	18,575
Miscellaneous and Grant	15,885
Total Revenue	<u>96,943</u>

Expenditures

Salaries & Wages	28,530
Employee Benefits	1,905
Supplies	11,338
Hydrant rental	2,000
Telephone	1,959
Travel	0
Insurance	3,838
Public Utilities	5,882
Miscellaneous	11,765
Repairs	1,859
Capital Expenditures	19,918
Total Expenditures	<u>88,994</u>

Excess Revenues (Expenditures)	7,949
Fund Balance - Beginning of Year	<u>105,133</u>
Prior Period Adjustment	0
Fund Balance - End of Year	<u><u>\$113,082</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Revenues, Expenditures & Changes in Fund Balance
Liquor Law Enforcement Fund

For The Year Ended March 31, 2004

Revenues

Interest	\$0
State of Michigan	4,087
Total Revenues	<u>4,087</u>

Expenditures

Salaries & Wages	1,676
Employee Benefits	24
Office Supplies	100
Miscellaneous	0
Total Expenditures	<u>1,800</u>

Excess Revenue (Expenditures)	2,287
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Fund Balance - Beginning of Year	<u>16,718</u>
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Prior Period Adjustment	0
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Fund Balance - End of Year	<u><u>\$19,005</u></u>
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THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Capital Project Fund

**Filer Township
Balance Sheet
Fire Hall Capital Projects Fund**

As Of March 31, 2004

<u>Assets</u>	
Cash In Bank	\$95,944
Taxes Receivable	
Work In Process	0
Total Assets	<u>95,944</u>
<u>Liabilities and Fund Balance</u>	
Liabilities	
Accounts Payable	
Due to Debt Service Fund	64,241
Total Liabilities	<u>64,241</u>
Fund Balance	
Unreserved	31,703
Total Fund Balance	<u>31,703</u>
Total Liabilities and Fund Balance	<u>\$95,944</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Revenues, Expenditures & Changes in Fund Balance
Fire Hall Capital Projects Fund

For The Year Ended March 31, 2004

<u>Revenues</u>	
Proceeds From Bonds	\$0
Interest	2,864
Miscellaneous and Grant	
Total Revenue	<u>2,864</u>
<u>Expenditures</u>	
Bond Costs	0
Misc Expenses	661
Capital Expenditures	724,649
Total Expenditures	<u>725,310</u>
Excess Revenues (Expenditures)	(722,446)
Fund Balance - Beginning of Year	<u>754,149</u>
Prior Period Adjustment	0
Fund Balance - End of Year	<u><u>\$31,703</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Proprietary Fund

**Filer Township
Statement of Net Fixed Assets
Proprietary Fund Type-Water Fund**

For The Years Ended March 31, 2003 and 2004

<u>Assets</u>	March 31, 2003	March 31, 2004
Machinery & Equipment	<u>\$17,259</u>	<u>\$17,259</u>
Water System	<u>269,349</u>	<u>269,349</u>
	<u><u>\$286,608</u></u>	<u><u>\$286,608</u></u>

Depreciation:

Machinery and Equipment is depreciated on straight-line basis over 25 years.

Water System is depreciated on straight-line basis over 50 years.

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Changes in Fixed Assets
Proprietary Fund Type-Water Fund

For The Year Ended March 31, 2004

	Assets			
	March 31, 2003 Balance	Additions	Deletions	March 31, 2004 Balance
Machinery and Equipment	\$30,648	\$0	\$0	\$30,648
Water System	398,747	0	0	398,747
Total Asset	429,395	0	0	429,395

Provision for Depreciation					
	Annual Rate	March 31, 2003 Balance	Depreciation	March 31, 2004 Balance	Net Book Value
Machinery & Equipment	4%	12,163	1,226	13,389	17,259
Water System	2%	121,423	7,975	129,398	269,349
		133,586	9,201	142,787	286,608
Amortization			6,944		
Depreciation			\$2,257		

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Debt Service Fund

**Filer Township
Balance Sheet
Fire Hall Debt Service Fund**

As Of March 31, 2004

<u>Assets</u>	
Cash	\$0
Due from Fire Capital Projects	<u>64,241</u>
Total Assets	<u><u>64,241</u></u>
<u>Liabilities and Fund Balance</u>	
Due to General Fund	0
Unreserved Fund Balance	<u>64,241</u>
Total Liabilites and Fund Balance	<u><u>\$64,241</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Revenues, Expenditures & Changes in Fund Balance
Debt Service Fund

For The Year Ended March 31, 2004

<u>Revenues</u>	
Taxes	\$58,558
Interest	0
Total Revenues	<u>58,558</u>
<u>Expenditures</u>	
Principal	10,000
Interest	<u>39,968</u>
Total Expenditures	<u>49,968</u>
Excess Revenue (Expenditures)	8,590
Fund Balance - Beginning of Year	<u>55,651</u>
Prior Period Adjustment	0
Fund Balance - End of Year	<u>\$64,241</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS